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Change in Russia's Far East

China's Growing Interests in Siberia

By Matthias Schepp

There are just 6 million Russians left on the Siberian side of the border with China. Ninety million Chinese, backed by a voracious economy, live on the other side. China's influence in Russia's far east is growing rapidly and Siberia has become the raw material supplier to Beijing's economic miracle.

One needs a lot of time and patience to reach the remote Russian settlement of Mirnaya. It takes almost four days to cover the 5,000 kilometers (3,100 miles) from Moscow to Lake Baikal in Siberia. Another 1,000 kilometers brings one to the regional capital of Chita, an old Cossack center. Mirnaya is still another 300 kilometers by car to the southeast, in the direction of China.

The name Mirnaya means "The Peaceful One." But these days there is little evidence of peace and security in Mirnaya. Stray dogs roam the streets among collapsed houses. The long winters have torn holes the size of sinks into the asphalt. And apathy is reflected in the eyes of the town's few remaining residents.

Mirnaya was once a thriving garrison town with a movie theater, a kindergarten and a park. The Soviet army maintained a base here to keep an eye on neighboring China. Then the Soviet Union collapsed and the military left. To survive, those who stayed behind gradually dismantled and sold off what was left, piece by piece. First they removed the windows from the prefabricated buildings where the officers had once lived and sold them in Chita. Then they ripped radiators and pipes from the walls and sold them to scrap dealers, who then sold the metal in China. The buildings now stand like skeletons in the steppes, evidence of a ruined country.

"My brother Vadim died in one of those buildings when he was 32," says Irina, "and so did six others." Vadim eked out a living by breaking stones from the ruins, selling them for one ruble, or 2.5 cents, apiece. The last stone was one stone too many. When Vadim removed it, the ceiling collapsed.

Tea, Vodka and Beer

Irina, who is from the neighboring village of Besrezhnaya, works as a waitress in the Café Mariya, which is just past Mirnaya on the road to China. Her customers spend much of their time drowning their sorrows in tea, vodka and beer.

Her friend Galina penned a letter to Russian President Dmitry Medvedev at the beginning of the year. "I'm not asking you this for myself," she wrote in her appeal to the president. "I would like you to pay more attention to our region. We have no doctors, no pharmacy and no work. There is nothing here!" Her village has a population of 713. Last year, 27 people died but not a single child was born. "If nothing happens here, we will have to go to China as guest workers," says Galina. "Or slave away in our country as coolies for the Chinese."

China is at the center of many conversations in Mirnaya. But shouldn't the Kremlin be deeply concerned over what is happening beyond Lake Baikal? The border between the fallen superpower Russia and the People's Republic, which is gradually becoming a superpower, measures 3,645 kilometers, one of the longest borders in the world. And perhaps this border, where Europe's last offshoots encounter 1.3 billion Chinese, and where Christianity collides with Buddhism and Confucianism, is also one of the most important in the power struggles of the new century.

Could an alliance develop in this region between two powerful countries that would finally put an end to American dominance of the world? One of the two has the raw materials that the other one needs so urgently. Or will the land of Vladimir Putin become a bulwark against an increasingly self-confident China, and thus become the natural partner of the West? Or will neither of these scenarios come to pass, when overpopulated China simply swallows up depopulated Siberia?

A look at Mirnaya suggests that the third scenario could very well come to pass. Now that the planned economy no longer exists, few Russians are moving to an area where the temperatures remain below freezing for more than half of the year. They lack the incentives to do so, now that the government no longer pays fringe benefits and offers generous vacation entitlement to those willing to settle in the region.

Forgotten by the Kremlin

Siberia, which covers three-quarters of the landmass of Russia, is home to only a quarter of the country's population: 38 million people. This is the equivalent of the population of Poland, except that Siberia is 40 times the size. It is a situation that many fear could once again spark the eternal rivalry between Russia and China, a rivalry that last produced military clashes in the 1960s.

Chinese investors have already bought a former tank factory in Chita, where they are now producing trucks. They already control the markets in Russian border towns, where they are the richest private business owners. "China invests more in the Russian Far East than our own government does," writes the Moscow newspaper *Niezawisimaja Gazieta*.

The people in Mirnaya also complain that the Kremlin has forgotten them. The poet Maxim Gorky described the region, where Moscow's former rulers frequently exiled opponents, as nothing but a "land of chains and ice." Beginning in the 16th century, Cossacks and settlers began to claim the land on behalf of the czars in the biggest land grab in history. In those days, the fur trade was the region's biggest attraction, while today oil and gas are its main draw. Russia's wealth lies in the ground beneath Siberia -- and is frittered away in glittering Moscow.

But the Moscow elite is only too aware of its failures in the region -- and the gradual expansion of the Chinese generates fear in the corridors of the Kremlin.

New Balance of Power

Years ago Dmitry Rogozin, Russia's eloquent NATO ambassador, said half-jokingly that the Chinese would soon be "crossing the border in small groups of five million." And Vladimir Putin, shortly after being elected president, warned: "Unless we make a serious effort, the Russians in the border regions will have to speak Chinese, Japanese and Korean in a few decades." This hardly seems an exaggeration, given that there are six million Russians living in Eastern Siberia, compared with the 90 million living in China's northern provinces.

The new balance of power is particularly conspicuous at the Zabaikalsk-Manzhouli border crossing, an hour's drive from Mirnaya.

Russian tourists heading to China to buy inexpensive goods are forced to wait up to 12 hours in their cars. These people, who work for distributors and are popularly known as "silk worms" or "camels," travel to China several times a month to bring goods to Russia: jeans and blouses, electric shavers and children's toys, athletic shoes made by a low-wage manufacturer called "Adidos" and chainsaws labeled "Stihl." They are pirated products, and are manufactured in southern China.

Mariya Sergejeva, a retiree who once worked for the customs service, is traveling on one of the buses that shuttle back and forth between Zabaikalsk and the Chinese city of Manzhouli every hour. She wants to have her hair teased and buy underwear for her grandchildren. "After the border opened 20 years ago, my mother brought the Chinese used plates, knives, forks and curtains," she recalls. "And preserved meat."

Russian Raw Materials for Chinese Growth

At the time, undocumented Chinese workers flooded into Russia because the Russians were paying higher wages. The Chinese marveled at the standard of living of their neighbors, who owned TV sets and hairdryers and those large white boxes that were as cold inside in the summer as it was outside in the winter. Many of the migrant workers were from the poor villages of northern China and had never seen a refrigerator.

Sergeyeva's bus comes to a stop in no-man's-land. The Chinese customs building, a massive archway made of granite, steel and glass, lies ahead of the travelers. The much smaller structure behind them is the Russian customs building.

The contrast between the two buildings reflects the new pecking order. Sixty years ago, Moscow was still the biggest provider of foreign aid to the People's Republic. Now China is not only investing billions in Central Asian countries like Kazakhstan and Kyrgyzstan, which lie in Russia's backyard, it is also making inroads in the Belarus of Alexander Lukashenko.

Beijing, mindful of keeping up appearances, emphasizes the fraternal cooperation between the two countries. But in Chinese, the term brother is a strictly hierarchical concept. There is a word for an older brother, "gege," who must accept a subordinate role to a younger brother, or "didi." The days when Beijing was willing to play second fiddle are long gone.

The Russian imperial double-headed eagle is resplendent on top of the aging Russian customs building, gazing proudly to both the East and the West. But Russia's national coat of arms is also a manifestation of an eternal state of indecision.

Fear of Being Co-opted

The world's biggest country doesn't quite know whether it wants to be part of Asia or Europe, or whether it wants to develop a Western-style democracy or install an authoritarian form of state capitalism. "Russia's death will come in either of two ways - from the East by the sword of the awakened Chinese, or through the voluntary merger with a pan-European republican federation," the writer and philosopher Konstantin Leontyev wrote in 1891.

The fear of being co-opted still encourages the Kremlin's ideologues today to dream of their country occupying a special position between East and West. They cling to the illusion that Russia could become its own center of power in a multipolar global order, next to the United States, China, India and the European Union. But the country is now far too weak for that.

For this reason, forward thinkers like government foreign-policy advisor Sergey Karaganov advocate an alliance with the EU. "If Russia does not join forces with Europe, it will inevitably become a raw material-supplying appendage of Greater China," he writes. But the closer Russia and Europe get, the less attracted they are to one another. Russia considers Europe to be too liberal. In fact China, which, like Moscow, sees stability as the most important value and deals harshly with dissenters, thinks similarly to Russia's rulers.

This explains why the Chinese Communist Party is behaving like a bride who is still forced to woo her groom, investing billions in its northern border region. Russians arriving in Manzhouli are greeted by reminders of their homeland: a Russian Orthodox church, an oversized matryoshka and busts of the Russian national poets Alexander Pushkin and Fyodor Dostoyevsky.

When the border was opened in the early 1990s, fewer than 10,000 people lived in Zabaikalsk and Manzhouli combined. Today Zabaikalsk has remained a village with many wooden houses, even though the booming border trade has increased its size to 11,000 residents. A statue of Lenin still stands in front of the dilapidated regional administration building, and the meadows are littered with garbage that no one bothers to clean up.

China's Voracious Economy

The tallest buildings in Zabaikalsk are five-story concrete structures with squalid stairwells. But the interiors of the apartments attest to a relatively high standard of living. At the equivalent of \$15,800 (€10,600), the annual GDP per capita in Russia is more than twice as high as it is in China.

In Manzhouli, where the population has climbed to 300,000 since 1990, the apartments are modest but the buildings are brightly lit by colorful neon signs. In the center of town, 30-story hotels jut into the sky, and at night the city and its skyline look a little like Shanghai. "Even the Chinese can build Potemkin villages," says a metal worker who travels to Manzhouli from Lake Baikal every month to go shopping.

In fact, things do look much more mundane during the day, when Manzhouli feels more like a hastily assembled façade designed to mask the poverty of the hinterlands -- and its real purpose, which is to serve as a transshipment point for natural resources bound for China's voracious economy.

On the eastern edge of the city, wood-processing factories are lined up next to each other for seven kilometers. Red Chinese flags fly from the tops of seemingly endless stacks of formerly Russian logs, as if the new owners were trying to emphasize that these treasures are now the property of the People's Republic. China imports two-thirds of its wood from Russia, and 700,000 rail cars carry lumber across the Russian-Chinese border each year.

But the Chinese aren't just interested in Russian lumber. They also want Russian oil. Some 1,300 kilometers farther to the east, past empty steppes where a driver is likely to encounter no more than three cars an hour, is the small city of Skovorodino. It is the terminal point of the most expensive infrastructure project in the new Russia, a "pipeline with geopolitical significance," as Prime Minister Putin raves.

Helping the Region

Putin sees the 2,757-kilometer, \$12-billion oil pipeline as a warning to the West that Russia can easily sell its natural resources to Asia. Moscow built the pipeline with Chinese money and workers.

At Skovorodino, some 15 million tons of oil are loaded onto rail cars and then transferred to ships at the Pacific port of Kozmino. Another 15 million tons flow directly to China through pipelines. At the border, Chinese and Russian engineers calmly measure the quantity and quality of the oil.

Nina, a laboratory technician, was once a schoolteacher in a nearby village, before retraining. Sergey Koleznikov, the young manager of the pumping station, is pleased that "the pipeline is not just helping Russia in its recovery, but also the people here in the region." The only minor complaint is to be heard from Chinese worker Jia Yanping, 24, who says: "Spending three months at a time away from home is a little long."

But there are also limits to the Russian-Chinese partnership, and they become evident after another night journey with the Trans-Siberian Railroad: 760 kilometers away in the Russian city of Blagoveshchensk and in Heihe on the Chinese side of the Amur River.

The cities use the same slogan in their advertising at trade shows: Two Countries, One City. In reality, however, the neighbors have remained strangers. It irks many Russians in Blagoveshchensk that Chinese entrepreneur He Wenan has built five shopping centers in their city, runs the most expensive hotel and drives the first Bentley ever seen there, or that businesswoman Li Lihua has brought the city's traditional brewery, and that a Chinese woman is now producing Kvass, a popular Russian beverage made from bread.

Repopulating the Hinterlands

But there are also examples of harmony between the two countries, like Natasha, a Russian woman, and her Chinese husband Shi Xiaoyun.

It is evening on the Amur River. The two are sitting at home, cuddling with their one-year-old son. Because Shi, who has taken the name Sergey to simplify things, still hasn't grown fond of traditional Russian dishes

like borsht and blinis, Natasha has learned how to make Chinese food. They are a happy and successful family.

Natasha works as a pharmaceutical representative, while Shi runs a successful acupuncture practice. He sits with Russian friends in the Russian sauna known as the *Banya*, and does everything possible to be more Russian than the Russians, and yet he has remained an outsider. Sometimes people shout at him when he crosses the street, berating him as a "Chinese pig."

On the other side of the river, at the morning market in Heihe, the neighbors are also skeptical of each other. On Wenhua Lu, the Street of Culture, representatives of the two nations haggle fiercely over such products as T-shirts selling for the equivalent of €2 apiece, fake Hennessy cognac for just over €4 per bottle and flashlights that hardly last beyond the first use.

It's as if haggling over money had brought out the worst sides of both nations. The Russian customers, not particularly affluent themselves, treat the Chinese like their inferiors. They in turn exact their revenge on the "long-noses" by trying to cheat them at every opportunity.

Symbolic Policies

Russian complaints about the poor-quality Chinese goods are trite. Neither of the two sides can offer anything resembling sophisticated technology. Indeed, the market in Heihe is merely a reflection of the nature of business between Beijing and Moscow in general, with cheap goods being traded for oil and gas. This solidifies Russia's dependence on the trade in natural resources.

In its frontier city of Blagoveshchensk, the Kremlin tries to hide this calamity behind purely symbolic policies. It has built a grand riverfront promenade lined with high-rise buildings intended to overshadow Heihe. The old triumphal arch, torn down by the communists, a memorial to the journey of the soon-to-be Czar Nikolai to the Amur region in 1891, has been rebuilt. It bears the inscription: "The earth along the Amur was, is and will always be Russian."

To ensure that this remains the case, the central government in Moscow and the local governor have launched a program to entice people from the now-independent former Soviet republics to move to Russia's depopulated border regions. The plan is even working, at least here and there. Ironically, the saviors of Russian Siberia could be non-Russians, those from "nearby foreign countries."

Patvakan Akobajan, for example, heard the call. The 33-year-old Armenian resettled with his wife, mother-in-law and three children in Ushakovo, a village 200 kilometers from Blagoveshchensk, where he now lives in a sparkling clean house. He says: "I wake up every morning and can hardly believe our good fortune." The Russian authorities paid for the family's move, and gave them land, 14 calves, 2 cows and €10,000 in starting capital.

A Church and a Bell Tower

A calendar from Putin's party, United Russia, hangs in the kitchen next to the cake pans. The chairman of the district association praises the immigrants for their entrepreneurial spirit. Patvakan plans to open a small bakery soon and encourage relatives and friends to move to the area, as well.

Svetlana and her husband Igor moved to Ushakovo from Kazakhstan. After railing against the aging Kazakh autocrat Nursultan Nazarbayev, Svetlana praises Putin and Medvedev for being "young and full of energy," and insists that Russia looks forward to a great future. The couple is happy that Ushakovo will soon be connected to the natural gas and mobile phone network.

Svetlana already has an idea for how she can show her gratitude to Russia. "We have to build an Orthodox church with a tall bell tower," she says, "so that the Chinese over there can hear that there are still people here."

Translated from the German by Christopher Sultan

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